

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of the Secretary

[Docket No. FR-3864-N-04]

## Notice of Regulatory Waiver Requests Granted

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Public notice of the granting of regulatory waivers. Request: April 1, 1995 through June 30, 1995.

**SUMMARY:** Under the Department of Housing and Urban Development Reform Act of 1989 (Reform Act), the Department (HUD) is required to make public all approval actions taken on waivers of regulations. This notice is the eighteenth such notice being published on a quarterly basis, providing notification of waivers granted during the preceding reporting period. The purpose of this notice is to comply with the requirements of section 106 of the Reform Act.

**FOR FURTHER INFORMATION CONTACT:** For general information about this Notice, contact Camille E. Acevedo, Assistant General Counsel for Regulations, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone 202-708-3055; TDD: (202) 708-3259. (These are not toll-free numbers.) For information concerning a particular waiver action, about which public notice is provided in this document, contact the person whose name and address is set out, for the particular item, in the accompanying list of waiver-grant actions.

**SUPPLEMENTARY INFORMATION:** As part of the Housing and Urban Development Reform Act of 1989, the Congress adopted, at HUD's request, legislation to limit and control the granting of regulatory waivers by the Department. Section 106 of the Act (Section 7(q)(3)) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(q)(3), provides that:

1. Any waiver of a regulation must be in writing and must specify the grounds for approving the waiver;

2. Authority to approve a waiver of a regulation may be delegated by the Secretary only to an individual of Assistant Secretary rank or equivalent rank, and the person to whom authority to waive is delegated must also have authority to *issue* the particular regulation to be waived;

3. Not less than quarterly, the Secretary must notify the public of all waivers of regulations that the Department has approved, by

publishing a Notice in the Federal Register. These Notices (each covering the period since the most recent previous notification) shall:

- a. Identify the project, activity, or undertaking involved;
- b. Describe the nature of the provision waived, and the designation of the provision;
- c. Indicate the name and title of the person who granted the waiver request;
- d. Describe briefly the grounds for approval of the request;
- e. State how additional information about a particular waiver grant action may be obtained.

Section 106 also contains requirements applicable to waivers of HUD handbook provisions that are not relevant to the purposes of today's document.

Today's document follows publication of HUD's Statement of Policy on Waiver of Regulations and Directives Issued by HUD (56 FR 16337, April 22, 1991). This is the eighteenth Notice of its kind to be published under Section 106. It updates HUD's waiver-grant activity from April 1, 1995 through June 30, 1995. In approximately three months, the Department will publish a similar Notice, providing information about waiver-grant activity for the period from July 1, 1995 through September 30, 1995.

For ease of reference, waiver requests granted by departmental officials authorized to grant waivers are listed in a sequence keyed to the section number of the HUD regulation involved in the waiver action. For example, a waiver-grant action involving exercise of authority under 24 CFR 24.200 (involving the waiver of a provision in Part 24) would come early in the sequence, while waivers in the Section 8 and Section 202 programs (24 CFR Chapter VIII) would be among the last matters listed. Where more than one regulatory provision is involved in the grant of a particular waiver request, the action is listed under the section number of the first regulatory requirement in Title 24 that is being waived as part of the waiver-grant action. (For example, a waiver of both § 811.105(b) and § 811.107(a) would appear sequentially in the listing under § 811.105(b).) Waiver-grant actions involving the same initial regulatory citation are in time sequence beginning with the earliest-dated waiver grant action.

Should the Department receive additional reports of waiver actions taken during the period covered by this report before the next report is published, the next updated report will include these earlier actions, as well as

those that occur between July 1, 1995 through September 30, 1995.

Accordingly, information about approved waiver requests pertaining to regulations of the Department is provided in the Appendix that follows this Notice.

Dated: September 26, 1995.

Henry G. Cisneros,  
Secretary.

Appendix—Listing of Waivers of Regulatory Requirements Granted by Officers of the Department of Housing and Urban Development, April 1, 1995 Through June 30, 1995

Note to Reader: The person to be contacted for additional information about the waiver-grant items in this listing is:

Mr. James B. Mitchell, Director, Financial Services Division, U.S. Department of Housing and Urban Development, 470 L'Enfant Plaza East, Suite 3119, Washington, DC 20024, Phone: (202) 755-7450 x125.

1. REGULATION: 24 CFR Sections 811.106(d) and 811.107(d) of 1977 Regulations.

PROJECT/ACTIVITY: Miami Beach HA refunding of bonds issued in 1978, which financed an uninsured Section 8 assisted project: Rebecca Towers North, HUD Project Number FL29-0009-001.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-FHA Commissioner.

DATE GRANTED: April 17, 1995.

REASONS WAIVED: The Part 811 regulations cited above prohibited refundings and required that excess reserve balances be used for project purposes. The issuer has requested HUD's permission to release excess reserve balances from the 1978 Trust Indenture for use in providing newly constructed housing for abused women and children. Issuance of 1995 refunding bonds under Section 103 of the Tax Code will not reduce project debt service nor generate Section 8 savings. The Housing Authority will agree to extend low-income occupancy in this project for 10 years after expiration of the Housing Assistance Payments Contract in January 2019.

2. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The New Castle, Indiana Housing Authority refunding of bonds which financed a Section 8 assisted project, Willow Glen Apartments, FHA No. 073-35349.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: April 14, 1995.

**REASONS WAIVED:** The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on April 14, 1995. Refunding bonds have been priced to an average yield of 6.42%. The tax-exempt refunding bond issue of \$1,275,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.5% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.23% to 6.7%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

**3. REGULATION:** 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(3), 811.114(b)(3), 811.114(d), 811.115(b).

**PROJECT/ACTIVITY:** Hilliard HDC of Columbus, Ohio refunding of bonds which financed a Section 8 assisted project, the Sturbridge Green Apartments (FHA No. 043-35260).

**NATURE OF REQUIREMENT:** The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

**GRANTED BY:** Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

**DATE GRANTED:** April 25, 1995.

**REASONS WAIVED:** The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. This refunding proposal was approved by HUD on March 16, 1995. Refunding bonds have been priced to an average yield of 6.35%. The tax-exempt refunding bond issue of \$1,435,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.4% at the call date with tax-exempt bonds yielding 6.35%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.7% to 6.65%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

**4. REGULATION:** 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), 811.115(b).

**PROJECT/ACTIVITY:** Ohio Capital Corporation for Housing refunding of bonds which financed three Section 8 assisted projects, Miamisburg Manor, Mountaingate, and Applewood Village Apartments (FHA Nos. 046-35520, 046-35533, and 043-35246).

**NATURE OF REQUIREMENT:** The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

**GRANTED BY:** Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

**DATE GRANTED:** May 4, 1995.

**REASONS WAIVED:** The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on March 21, 1995. Refunding bonds have been priced to an average yield of 6.28%. The tax-exempt refunding bond issue of \$3,935,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 8.5%—9.5% at the call date with tax-exempt bonds yielding 6.28%. The refunding will also substantially reduce the FHA mortgage interest rates at expiration of the HAP contract, from 9.25% and 8.5% to 6.6%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

**5. REGULATION:** 24 CFR 811.114(d), 811.115(b), 811.117.

**PROJECT/ACTIVITY:** The Housing Finance Corporation of Long Branch, New Jersey refunding of bonds which financed a Section 8 assisted uninsured project, Ocean View Towers, HUD No. NJ39-0014-052.

**NATURE OF REQUIREMENT:** The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

**GRANTED BY:** Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

**DATE GRANTED:** May 11, 1995.

**REASONS WAIVED:** The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions under Section 103 of the Tax Code. This refunding proposal was approved by HUD on July 22, 1994. Refunding bonds have been priced to an average yield of 6.32%. The tax-exempt refunding bond issue of \$5,445,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of

outstanding tax-exempt coupons of 7.75% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for lower-income families after subsidies expire, a priority HUD objective.

**6. REGULATION:** 24 CFR 811.106(d) and 811.107(d) of 1977 Regulations.

**PROJECT/ACTIVITY:** Greenville (North Carolina) HA refunding of bonds which financed an uninsured Section 8 assisted project: University Towers Elderly Apartments, HUD Project Number NC19-0004-005.

**NATURE OF REQUIREMENT:** The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

**GRANTED BY:** Nicolas P. Retsinas, Assistant Secretary for Housing-FHA Commissioner.

**DATE GRANTED:** May 15, 1995.

**REASONS WAIVED:** The Part 811 regulations cited above prohibited refundings and required that excess reserve balances be used for project purposes. The issuer has requested HUD permission to release excess reserve balances from the 1979 Trust Indenture for use in providing affordable housing for low-income families. Issuance of 1995 refunding bonds under Section 103 of the Tax Code will reduce project debt service and generate Section 8 savings to be shared equally by the Issuer and the U.S. Treasury pursuant to the McKinney Act. The Housing Authority has agreed to extend low-income occupancy in this project for 10 years after expiration of the Housing Assistance Payments Contract.

**7. REGULATION:** 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), 811.115(b).

**PROJECT/ACTIVITY:** Ohio Capital Corporation for Housing refunding of bonds which financed three Section 8 assisted projects, Athens Gardens, Sprucewood Commons, and Woodwind Apartments (FHA Nos. 043-35266, 043-35254, and 046-35535).

**NATURE OF REQUIREMENT:** The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

**GRANTED BY:** Nicolas P. Retsinas, Assistant Secretary for Housing—Federal Housing Commissioner.

**DATE GRANTED:** May 17, 1995.

**REASONS WAIVED:** The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on March 29, 1995. Refunding bonds have been priced to an

average yield of 6.29%. The tax-exempt refunding bond issue of \$4,625,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.4% at the call date with tax-exempt bonds yielding 6.29%. The refunding will also substantially reduce the FHA mortgage interest rates at expiration of the HAP contract, from 10.72% to 6.62%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

8. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Ohio Capital Corporation for Housing refunding of bonds which financed a Section 8 assisted project, Crescent Square Apartments, FHA No. 046-35559.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: May 16, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. This refunding proposal was approved by HUD on March 29, 1995. Refunding bonds have been priced to an average yield of 6.59%. The tax-exempt refunding bond issue of \$1,170,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 11.5-12% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 12% to 6.62%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

9. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Boaz, Alabama Housing Authority refunding of bonds which financed a Section 8 assisted project, Meadowood Apartments, FHA No. 062-35346.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: May 18, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on May 1, 1995. Refunding bonds have been priced to an average yield of 6.60%. The tax-exempt refunding bond issue of \$1,085,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 11.5% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 11.5% to 6.97%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

10. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Smithville, Texas Housing Authority refunding of bonds which financed a Section 8 assisted project, Smithville Gardens Apartments, FHA No. 115-35218.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: May 24, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on April 25, 1995. Refunding bonds have been priced to an average yield of 6.40%. The tax-exempt refunding bond issue of \$1,110,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.3% to 6.40%, thus reducing FHA mortgage insurance risk. The

refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

11. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Port Arthur, Texas Housing Authority refunding of bonds which financed a Section 8 assisted project, Stonegate Village Apartments, FHA No. 114-35313.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: May 24, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on April 25, 1995. Refunding bonds have been priced to an average yield of 6.38%. The tax-exempt refunding bond issue of \$1,250,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 11.5% to 12.25% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 12% to 6.75%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

12. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(b)(1), 811.108(b)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The County of Palm Beach, Florida refunding of bonds which financed a Section 8 assisted project, Boynton Terrace Apartments, Section 8 No. FL29-0053-049.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: May 26, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for

original bond financing transactions and do not fit the terms of refunding transactions. This refunding proposal was approved by HUD on May 12, 1995. Refunding bonds have been priced to an average yield of 8.0% as unrated due to the deficient condition of the project. The tax-exempt refunding bond issue of \$4,375,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 13.35% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective. This refunding will provide \$110,000 at closing for urgently needed project repairs and an additional \$249,000 over time for other capital improvements.

13. REGULATION: 24 CFR 811.107(a)(2), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Meadows (North Liberty, IN) HDC refunding of bonds which financed a Section 8 assisted project, Meadows Apartments, FHA No. 073-35420.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 15, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on December 21, 1994. Refunding bonds have been priced to an average yield of 6.55%. The tax-exempt refunding bond issue of \$1,615,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.5% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will fund project repairs and substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

14. REGULATION: 24 CFR 811.107(a)(2), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The St. Louis Area HFC refunding of bonds which financed a Section 8 assisted project, Kendelwood Apartments, FHA No. 085-35302.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 22, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. This refunding proposal was approved by HUD on June 15, 1995. Refunding bonds have been priced to an average yield of 6.40%. The tax-exempt refunding bond issue of \$4,055,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.4% at the call date in 1996 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.6% to 7.2%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

15. REGULATION: 24 CFR 811.107(a)(2), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Bossier City, Louisiana Housing Authority refunding of bonds which financed a Section 8 assisted project, Clover Dale Apartments, FHA No. 059-35195.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 22, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR Section 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on May 9, 1995. Refunding bonds have been priced to an average yield of 6.55%. The tax-exempt refunding bond issue of \$4,270,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 9% at

the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 9.5% to 6.95%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

16. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Ohio Capital Corporation for Housing refunding of bonds which financed a Section 8 assisted project, Bucyrus Estates Apartments, FHA No. 042-35326.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 23, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR Section 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on June 8, 1995. Refunding bonds have been priced to an average yield of 6.43%. The tax-exempt refunding bond issue of \$1,565,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 10.25% to 6.9%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

17. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Shreveport, Louisiana Housing Authority refunding of bonds which financed a Section 8 assisted project, Stone Vista Apartments, FHA No. 059-35196.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 27, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR Section 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on May 12, 1995. Refunding bonds have been priced to an average yield of 5.94%. The tax-exempt refunding bond issue of \$3,055,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 9.4% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 9.5% to 6.375%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

18. REGULATION: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Ohio Capital Corporation for Housing refunding of bonds which financed two Section 8 assisted projects, Harrisburg Station Project FHA No. 043-35267 and Murray Commons Project, FHA No. 043-35258.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 29, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on June 27, 1995. Refunding bonds have been priced to an average yield of 6.07%. The tax-exempt refunding bond issue of \$3,350,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.4% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rates at expiration of

the HAP contract, from 10.72% to 6.4%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

Note to Reader: The person to be contacted for additional information about these waiver-grant items in this listing is:

Debbie Ann Wills, Field Management Officer, U.S. Department of Housing & Urban Development, Office of Community Planning and Development, 451 7th Street, S.W., Washington, D.C. 20410-7000, Telephone: (202) 708-2565.

19. REGULATION: 24 CFR 92.2.

PROJECT/ACTIVITY: The City and County of Honolulu, Hawaii requested a waiver of the definition of commitment of HOME program funds to recognize, for one time only, the reservation of \$1.2 million for the purchase of rental housing.

NATURE OF REQUIREMENT: The HOME regulation at 92.2 defines commitment as the jurisdiction having entered into a legally binding agreement with a recipient to use a specific amount of HOME funds to produce affordable housing.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 26, 1995.

REASONS WAIVED: The application of section 92.2 of the HOME regulations would create an undue hardship for the low income plantation workers who would have to vacate their housing and thus adversely effect the purposes of the Act.

20. REGULATION: 24 CFR 92.2.

PROJECT/ACTIVITY: The City Los Angeles, California requested a waiver of the HOME program regulation that requires a community development housing organization (CHDO) to have a tax exempt ruling from the IRS. The waiver was requested for a specific non-profit organization and it will allow the City to meet the requirement that 15 percent of its FY 1992 HOME funds be reserved for CHDOs within 24 months after being awarded.

NATURE OF REQUIREMENT: One of the HOME definitions at 92.2 defines of a community development housing organization (CHDO) as an organization that has a tax exempt ruling from the IRS.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: May 8, 1995.

REASONS WAIVED: It was determined that the application for tax exempt status was either not processed by the IRS or lost in transit. It was determined that there was good cause not to take away the HOME funds unless the organization did not receive tax exempt status by June of 1996.

21. REGULATION: 24 CFR 92.220(a)(6)(ii).

PROJECT/ACTIVITY: The State of Indiana Housing Finance Authority requested a waiver of the HOME program regulations at 24 CFR 92.220(a)(6)(ii) to allow as eligible forms of matching contribution certain

project specific legal, architectural and engineering fees that are waived or foregone.

NATURE OF REQUIREMENT: The HOME regulation at 92.220 (a)(6) provides the basis for allowing project-specific legal, architectural and engineering labor costs that are waived or foregone to be counted as match. However, Section 92.220(a)(6)(ii) requires that the fees be the same as the single rate published annually in the Federal Register.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 8, 1995.

REASONS WAIVED: The application of section 92.220(a)(6)(ii) of the HOME regulations would create an undue hardship for the State by limiting its ability to participate in the HOME program.

22. REGULATION: 24 CFR 92.222(b).

PROJECT/ACTIVITY: The City of St. Louis, Missouri requested that the match reduction made because the area was declared a natural disaster area be extended for Fiscal 1995.

NATURE OF REQUIREMENT: Under the HOME Program, each participating jurisdiction must match its allocation of HOME Program funds. Jurisdictions designated federal "natural disaster areas" are given relief from the match requirements for one year.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: May 8, 1995.

REASONS WAIVED: To relieve the jurisdiction of coming up with matching funds that would delay the use of HOME funds in an emergency situation.

23. REGULATION: 24 CFR 92.252(a)(2)(i).

PROJECT/ACTIVITY: The State of Arizona, on behalf of a State HOME recipient Nogales Arizona, requested a waiver of the HOME program regulations at 24 CFR 92.252(a)(2)(i) to permit Section 202 project rents, which exceed the low HOME rents to prevail for the project.

NATURE OF REQUIREMENT: The regulations at 24 CFR 92.252(a)(2)(i) state, "to obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12, and if applicable, subtracts a monthly allowance for any utilities and services to be paid by the tenant."

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: May 8, 1995.

REASONS WAIVED: The application of section 92.252(a)(2)(i) of the HOME regulations for the section 202 project would create an undue hardship for the City because an elderly project would not be developed in the jurisdiction, and thus adversely affect the purposes of the Housing and Community Development Act.

24. REGULATION: 24 CFR 92.254(a)(4)(ii).

PROJECT/ACTIVITY: State of California, Napa County requested a waiver of 24 CFR 92.254(a)(4)(ii) which limits the value of homes purchased using HOME funds.

NATURE OF REQUIREMENT: The HOME regulations at 24 CFR 92.254(a)(4)(ii) state that for housing to qualify as affordable housing for homeownership, its purchase price and/or after rehabilitation value cannot exceed 95 percent of the median purchase price for single family housing for the jurisdiction as determined by HUD. If the jurisdiction believes the limits determined by HUD do not accurately reflect 95 percent of the median purchase price, the regulation provides that it may appeal the limits in accordance with 24 CFR 203.18(b).

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 29, 1995.

REASONS WAIVED: The HUD Field Office presented data for single family home sales that was determined by the Assistant Secretary to be a reasonable and accurate representation of local market conditions and, therefore, the HOME purchase price/value limits were revised upward for the Napa County.

25. REGULATION: 24 CFR 291.400.

PROJECT/ACTIVITY: The Anoka County Community Action Program requested a waiver the 24 month residency for a tenant in a single family property leased under the single family property disposition homeless program.

NATURE OF REQUIREMENT: The regulations at 24 CFR 291.400 prohibit a non-profit organization or a community participating in the Single Family Property Disposition Leasing Program from extending a lease to the same tenant for a period beyond 24 months.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 19, 1995.

REASONS WAIVED: The waiver will allow a formerly homeless family more time to find permanent housing.

26. REGULATION: 24 CFR 511.11(a).

PROJECT/ACTIVITY: The City of Pittsburg, Kansas requested a waiver of the Rental Rehabilitation requirement that the amount of disbursed funds for a cancelled project be returned to the grantee's C/MI system.

NATURE OF REQUIREMENT: The regulations at 24 CFR 511.11(a) state that, "if a project is terminated before completion of rehabilitation whether, voluntarily by the grantee or otherwise, an amount equal to the Rental Rehabilitation grant amount already disbursed for the project shall be paid by the grantee to its C/MI account, whether or not the grantee has already expended the grant amount to pay for project costs".

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 20, 1995.

REASONS WAIVED: It was determined that undue hardship would have resulted from applying Section 511.11(a) requirements to the City of Pittsburg and adversely affect the purposes of the Rental Rehabilitation program.

27. REGULATION: 24 CFR 511.11(g)(1).

PROJECT/ACTIVITY: The City of Miami Beach, Florida requested a waiver of Rental Rehabilitation regulations at 24 CFR

511.11(g)(1) to allow the City to fund needed repairs at the Blackstone Apartments a 131-unit apartment building for the elderly.

NATURE OF REQUIREMENT: The Rental Rehabilitation regulations at 24 CFR 511.11(g)(1) prohibit the use of RRP funds for projects receiving assistance through programs authorized by the United States Housing Act of 1937, including Section 8 project-based assistance.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 7, 1995.

REASONS WAIVED: The waiver was granted because the requirement would have caused an undue hardship on the elderly residents of the Blackstone Apartments and adversely effected the purposes of the Housing and Community Development Act.

28. REGULATION: 24 CFR 570.200(h) & 570.200(a)(5).

PROJECT/ACTIVITY: The City Nashua, New Hampshire requested a waiver of 24 CFR 570.200(h) & 570.200(a)(5) regarding reimbursement of pre-agreement costs to permit the local regional Community Action Program agency to complete the acquisition and rehabilitation of a property to serve as a Single Room Occupancy (SRO) facility for 40 formerly homeless women.

NATURE OF REQUIREMENT: Under the regulations a locality is precluded from obligating CDBG funds before grant award.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 7, 1995.

REASONS WAIVED: HUD determined that failure to grant the waiver would cause hardship and adversely affect the purposes of the Act. The waiver of the limitations on pre-agreement costs at 24 CFR 570.200(h) & 570.200(a)(5) will permit the City and the agency to complete the acquisition and rehabilitation, by a non-profit organization, of a Section 8 Mod Rehab SRO facility.

29. REGULATION: 24 CFR 570.200(h) & 570.200(a)(5).

PROJECT/ACTIVITY: The City Miami Beach, Florida requested a waiver of 24 CFR 570.200(h) & 570.200(a)(5) regarding reimbursement of pre-agreement costs to permit the City of Miami Beach to provide a financial contribution of \$1,130,000 to the Loews/Forest City Ratner Section 108 project.

NATURE OF REQUIREMENT: Under the regulations a locality is precluded from obligating CDBG funds before grant award.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 13, 1995.

REASONS WAIVED: HUD determined that failure to grant the waiver would cause hardship and adversely affect the purposes of the Act. The waiver of the limitations on pre-agreement costs at 24 CFR 570.200(h) & 570.200(a)(5) will permit the completion of the project which will result in the creation of 629 jobs a majority of which will benefit low and moderate income people.

30. REGULATION: 24 CFR 570.200(h) & 570.200(a)(5).

PROJECT/ACTIVITY: The City Nashua, New Hampshire requested a waiver of 24

CFR 570.200(h) & 570.200(a)(5) regarding reimbursement of pre-agreement costs to permit the City to provide a financial contribution for an acquisition activity.

NATURE OF REQUIREMENT: Under the regulations a locality is precluded from obligating CDBG funds before grant award.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 19, 1995.

REASONS WAIVED: HUD determined that failure to grant the waiver would cause hardship and adversely affect the purposes of the Act. The waiver of the limitations on pre-agreement costs at 24 CFR 570.200(h) & 570.200(a)(5) will permit the city to fund the acquisition, by a non-profit organization, of a youth center to serve local youth and function as a community policing outpost, with FY 1996, FY 1997 and FY 1998 CDBG funds.

31. REGULATION: 24 CFR 570.200(h) & 570.200(a)(5).

PROJECT/ACTIVITY: The City of Springfield, Missouri requested a waiver of 24 CFR 570.200(h) regarding reimbursement of pre-agreement costs for two public service activities.

NATURE OF REQUIREMENT: Under the regulations a locality is precluded from obligating CDBG funds before grant award.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 21, 1995.

REASONS WAIVED: HUD determined that failure to grant the waiver would cause hardship and adversely affect the purposes of the Act. The waiver of the limitations on pre-agreement costs at 24 CFR 570.200(h) & 570.200(a)(5) will permit the reimbursement of local funds, for the Springfield Community Center Summer Youth Program, and the Community School Pilot Project, with FY 1995 funds.

32. REGULATION: 24 CFR 570.200(h) & 570.200(a)(5).

PROJECT/ACTIVITY: Wayne County, Michigan requested a waiver of 24 CFR 570.200(h) & 570.200(a)(5) regarding reimbursement of pre-agreement costs to permit the City of Trenton, Michigan to construct water and sewer lines in a low and moderate income area in one year in instead of over a three year period.

NATURE OF REQUIREMENT: Under the regulations a locality is precluded from obligating CDBG funds before grant award.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 29, 1995.

REASONS WAIVED: HUD determined that failure to grant the waiver would cause hardship and adversely affect the purposes of the Act. The waiver of the limitations on pre-agreement costs at 24 CFR 570.200(h) & 570.200(a)(5) will permit the reimbursement of local funds, for water and sewer improvements to a low and moderate income area, with FY 1995 CDBG funds.

33. REGULATION: 24 CFR 572.135(c).

PROJECT/ACTIVITY: The Housing Authority of Pueblo, Colorado requested a waiver of the HOPE 3 program regulations at



24 CFR 572.135(c) to extend the time available for commitment of HOPE 3 sale and resale proceeds by 12 months.

**NATURE OF REQUIREMENT:** The regulations at 24 CFR 572.135(c) require that the HOPE 3 proceeds must be used for approved activities within one year of receipt.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** April 18, 1995.

**REASONS WAIVED:** The regulation was waived because it was determined there was good cause to allow the Housing Authority an extension of time to commit HOPE 3 sale and resale proceeds.

**34. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** The State of New York requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The State requested a waiver of the expenditure limitation of ESG funds on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** May 8, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The State demonstrated that other eligible activities will be carried out with other funds.

**35. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** Hennepin County, Minnesota requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The County requested a waiver of the expenditure limitation of ESG funds on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** May 8, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The County provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**36. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** New York City, New York requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The City requested a waiver of the ESG expenditure limitation on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 15, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act,

amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**37. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** Oklahoma City, Oklahoma requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The City requested a waiver of the ESG expenditure limitation on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 19, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**38. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** The City of Miami, Florida requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The City requested a waiver of the ESG expenditure limitation on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 19, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**39. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** The City of Albany, New York requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The City requested a waiver of the ESG expenditure limitation on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 19, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential

services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**40. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** Mt. Vernon City, New York requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The City requested a waiver of the ESG expenditure limitation on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 27, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**41. REGULATION:** 24 CFR 576.21.

**PROJECT/ACTIVITY:** Morris County, New Jersey requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

**NATURE OF REQUIREMENT:** The County requested a waiver of the expenditure limitation of ESG funds on essential services.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 29, 1995.

**REASONS WAIVED:** Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act the 30 cap percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The County provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources; therefore, it was determined that the waiver was appropriate.

**42. REGULATION:** 24 CFR 582.100(b).

**PROJECT/ACTIVITY:** The Provincetown Housing Authority (PHA) requested a six month time extension to complete the rehabilitation of a building to be used for a Shelter Plus Care homeless facility.

**NATURE OF REQUIREMENT:** The Shelter Plus Care Final Rule at 24 CFR 582.100(b) requires that rehabilitation of a subject property be completed within twelve months of grant award.

**GRANTED BY:** Andrew Cuomo, Assistant Secretary for Community Planning & Development.

**DATE GRANTED:** June 29, 1995.

**REASONS WAIVED:** It was determined that there was good cause to grant the waiver to complete a Shelter Plus Care project.

## 43. REGULATION: 24 CFR 583.150(b).

PROJECT/ACTIVITY: The San Francisco Housing Authority requested a waiver to allow residents of a 73 unit Supportive Housing project to be assisted with Section 8 project-based certificates.

NATURE OF REQUIREMENT: The regulations at 24 CFR 583.150(b) state that HUD will not assist a facility with Transitional Housing funds if residents of the structure receive assistance under the United States Housing Act of 1937.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 7, 1995.

REASONS WAIVED: It was determined that the loss of 73 units and the accompanying supportive services for the homeless would result in a severe hardship for the targeted population, and therefore, the waiver was granted.

## 44. REGULATION: 24 CFR 882.408(d)(1)&amp;(3).

PROJECT/ACTIVITY: New York City, New York requested a waiver of the Section 8 Moderate Rehabilitation regulations at 24 CFR 882.408(d)(1)&(3).

NATURE OF REQUIREMENT: The City requested a waiver of the Section 8 Moderate Rehabilitation regulations at § 882.408(d)(1) which limit changes in the initial contract rent and § 882.408(d)(3) which only allows the revised contract rent to exceed the FMR when it is determined "in accordance with paragraph (d)(1)" that it is necessary to exceed the FMR.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: June 29, 1995.

REASONS WAIVED: The waiver was granted for good cause because the increased rent allowed the hiring of a 24-hour security for a SRO project for the mentally impaired in a high crime area.

Note to Reader: The person to be contacted for additional information about the waiver-grant items in this listing is: John Comerford, Director, Financial Management Division, Office of Assisted Housing, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410, (202) 708-1872.

## 45. REGULATION: 24 CFR 990.104.

PROJECT/ACTIVITY: Housing Authority of the City of Salem, OR. In determining the operating subsidy eligibility a request was made to exclude a source of income from the PFS calculation.

NATURE OF REQUIREMENT: The PFS regulation requires all sources of income to be reported when calculating the subsidy eligibility.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: February 27, 1995.

REASON WAIVED: In order to benefit the Resident Council rental fees for space on the roof of one of the highrise buildings of the HA will not be included in the PFS subsidy eligibility calculation and the Resident Council will be named the payee of the rental fee.

## 46. REGULATION: 24 CFR 990.108(e).

PROJECT/ACTIVITY: Housing Authority of the Township of Irvington. A request was made to prevent a loss of operating subsidy when converting 34 efficiency units to 17 one bedroom units.

NATURE OF REQUIREMENT: When unit months are lost through combining small units into larger units they must be removed from the calculation of unit months available in the PFS subsidy calculation.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: February 28, 1995.

REASON WAIVED: Because of problems the HA has experienced filling vacant efficiency units for the elderly the HA converted them to one bedroom units which it could rent to elderly couples. In order to support the HAs efforts to reduce vacancies, approval was granted for the HA to include the number of unit months which would be lost through this conversion in future PFS calculations.

## 47. REGULATION: 24 CFR 990.108(e).

PROJECT/ACTIVITY: Akron Metropolitan Housing Authority. A request was made to prevent a loss of operating subsidy when converting efficiency units to one bedroom units.

NATURE OF REQUIREMENT: When unit months are lost through combining small units into larger units they must be removed from the calculation of unit months available in the PFS subsidy calculation.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: February 28, 1995.

REASON WAIVED: Because of problems the HA has experienced filling vacant efficiency units for the elderly the HA converted them to one bedroom units which it could rent to elderly couples. In order to support the HAs efforts to reduce vacancies, approval was granted for the HA to include the number of unit months which would be lost through this conversion in future PFS calculations.

## 48. REGULATION: 24 CFR 990.109(b)(3)(iv).

PROJECT/ACTIVITY: Chicago Housing Authority. A request was made to use 85% for the HA's projected occupancy percentage when calculating its PFS operating subsidy eligibility.

NATURE OF REQUIREMENT: The regulation requires a Low Occupancy PHA without an approved Comprehensive Occupancy Plan (COP) to use a projected occupancy percentage of 97%.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: April 20, 1995.

REASON WAIVED: As acknowledged in the five-year Memorandum of Agreement (MOA) between HUD and the HA the key to achieving any of the vacancy reduction performance targets is the approval of the waiver. In order to be supportive of the MOA the HA was authorized to use 85% as the projected occupancy percentage with the limitation that 60% of the additional operating subsidy funds received be used on specific, identifiable actions to increase occupancy.

## 49. REGULATION: 24 CFR 990.118(d).

PROJECT/ACTIVITY: Buffalo, NY, Municipal Housing Authority. A request was

made to consider the HAs Comprehensive Occupancy Plan terminated and to use Part VII of the Form HUD-52728-A to determine its occupancy percentage.

NATURE OF REQUIREMENT: The PFS regulation requires a PHA to use the Occupancy Percentage in its approved Comprehensive Occupancy Plan.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: April 28, 1995.

REASON WAIVED: Part VII of the Form HUD-52728-A allows the HA to reduce a 97% occupancy rate by the number of units that are in a funded, on-schedule modernization program. The HA believes that it would do better under these rules than under its COP which has become outdated, therefore the duration of the COP has been waived to allow the HA to use the newer rules.

## 50. REGULATION: 24 CFR 990.109(b)(3)(iv).

PROJECT/ACTIVITY: Kinsley, KS, Housing Authority. A request was made to use the HAs actual occupancy rate of 79% and recalculate its operating subsidy eligibility.

NATURE OF REQUIREMENT: The regulation requires a Low Occupancy PHA without an approved Comprehensive Occupancy Plan to use a projected occupancy percentage of 97%.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: May 15, 1995.

REASON WAIVED: The HA was allowed to use its actual occupancy percentage to prevent undue hardships while it continues its efforts to reduce vacancies.

## 51. REGULATION: 24 CFR 990.109(3)(iv).

PROJECT/ACTIVITY: Housing Authority of the City of Lafayette, LA. A request was made to use the HAs actual occupancy rate of 87 percent for its 1995 fiscal year and 93 percent for its 1996 fiscal year.

NATURE OF REQUIREMENT: The regulation requires a Low Occupancy PHA without an approved Comprehensive Occupancy Plan to use a projected occupancy percentage of 97%.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: July 13, 1995.

REASON WAIVED: The Department declared the HA in breach of the Annual Contributions Contract and took possession of all property and assets of the HA. In order to carry out plans to return the HA to local control a waiver was granted to support efforts to reduce the number of vacant units in the HA.

Note to Reader: The person to be contacted for additional information about the waiver-grant items in this listing is: Gary VanBuskirk, Director, Homeownership Division, Office of Community Relations and Involvement, Department of Housing and Urban Development, 451 Seventh Street SW—Room 4112, Washington, DC 20410-5000, (202) 708-4233.

## 52. REGULATION: 24 CFR 904 Subpart B (Turnkey III Homeownership Opportunity Program) and Corresponding Provisions of the Turnkey III Handbook (7495.3).

PROJECT/ACTIVITY: The Terre Haute, Indiana Housing Authority, Turnkey III



Homeownership Opportunity Program  
Project IN-36P021006.

NATURE OF REQUIREMENT: 24 CFR 904 Subpart B and the Turnkey III Handbook require that upon sale of a homeownership unit that the monies received be remitted to HUD to reduce the capital indebtedness on the project. Excess Residual Receipts and or Operating Reserves are also to be remitted to HUD.

GRANTED BY: Joseph Shuldiner, Assistant Secretary for Public and Indian Housing.

DATE GRANTED: April 3, 1995.

REASON WAIVED: Project debt forgiveness was authorized by the provisions of Section 3004 of the Housing and Community Development Reconciliation Amendments of 1985, (the Amendments) Pub. L. 99-272 (April 7, 1986) which amends Section 4 of the United States Housing Act of 1937. The Amendments authorized the Secretary of HUD to forgive outstanding principal and interest on loans made by the Secretary to Public Housing Agencies (PHAs)/Indian Housing Authorities (IHAs) and to cancel the terms of any contract with respect to repayment.

Turnkey III debt forgiveness, as authorized above, is implemented according to existing HUD procedures.

The housing authority has shown good cause and demonstrated compliance with all applicable regulatory requirements for debt forgiveness.

Note to Reader: The person to be contacted for additional information about the waiver-grant items in this listing is:

Ms. Madeline Hastings, Office of Rental Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW; Room 4226, Washington, DC 20410, Phone: (202) 708-1842. TDD: (202) 708-4594.

53. REGULATION: 24 CFR 882.721, 882.722 and 882.753(c).

PROJECT/ACTIVITY: Housing Authority of the City of Los Angeles, Section 8 project-based certificate program (PBC) assistance for the Hayward Hotel project in Los Angeles, California.

NATURE OF REQUIREMENT: Before a housing agency (HA) can select a unit for PBC assistance and execute a PBC Agreement to Enter Into Housing Assistance Payments Contract (AHAP), an initial inspection of the unit must be completed and the owner must prepare rehabilitation work write-ups. Vacant units must be filled from the HA waiting list.

GRANTED BY: Michael B. Janis, General Deputy Assistant Secretary for Public and Indian Housing.

DATE GRANTED: April 26, 1995.

REASON WAIVED: The waiver permitting substitution of 66 rehabilitated single room occupancy (SRO) units in the Hayward Hotel for 66 other SRO units in the project that had been brought under PBC Agreement to Enter Into Housing Assistance Payments Contract, was granted to prevent hardship to the occupants of those units who had been promised Section 8 assistance. The 66 non-PBC units were rehabilitated in the same manner as the units designated under the Agreement and in accordance with the PBC program requirements. The waiver of the requirement that vacant units be filled from

the HA waiting list, which applies only to occupants of the 66 substitute units, was approved to prevent hardship to the families.

Note to Reader: The person to be contacted for additional information about the waiver-grant items in this listing is:

Aaron Santa Anna, Assistant General Counsel, Ethics Law Division, Department of Housing and Urban Development, 451 Seventh Street, SW; Room 2158, Washington, DC 20410, Phone: (202) 708-3815. TDD: (202) 708-3259.

54. REGULATION: 24 CFR 0.735-204(a)(4).

PROJECT/ACTIVITY: A request was made whether an employee was prohibited from renting a primary residence to a relative with Section 8 assistance.

NATURE OF REQUIREMENT: This Standards of Conduct regulation prohibits HUD employees, with minor exceptions, from acquiring a financial interest in Section 8 subsidies.

GRANTED BY: Nelson A. Díaz, General Counsel.

DATE GRANTED: June 15, 1995.

REASON WAIVER: Renting a primary residence to a family member is not the type of situation covered by § 0.735-204(a)(4) because application of this provision to such a situation is not necessary to ensure public confidence in the impartiality and objectivity with which the Department's programs are administered. Compliance with all of the program requirements must be present.

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